

LAW OFFICES
BILLIG, SHER & JONES, P. C.
SUITE 300

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October 5, 1977

7-2721033

RECORDATION NO. 9024 Filed & Recorded

OCT 5 1977

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Honorable H. Gordon Homme, Jr.
Acting Secretary
Interstate Commerce Commission
12th Street and Constitution Ave., N.W.
Washington, D.C. 20423

INTERSTATE COMMERCE COMMISSION

Washington, D. C.

Dear Mr. Homme:

Please accept for recordation pursuant to §20c of the Interstate Commerce Act, 49 U.S.C. §20c, the following lease agreement between PLM (formerly Professional Lease Management, Inc.), as leasing agent for Arthur R. Dubs, and the Continental Grain Company.

LESSOR: PLM (formerly Professional Lease Management, Inc.)
One Embarcadero Center
Suite 2407
San Francisco, California 94111
(As agent for Arthur R. Dubs)

LESSEE: CONTINENTAL GRAIN COMPANY
277 Park Avenue
New York, New York 10017

DESCRIPTION: 59 new 100-ton covered hopper cars, bearing A.A.R. designations PLMX 10092 to PLMX 10150, inclusive.

Thank you for your assistance.

Yours very truly,

Jacob P. Billig

JPB:jg

Enclosure

FEE COLLECTION

OCT 5 11 11 AM '77

MASTER LEASE AGREEMENT

FOR

RAILROAD CARS

RECORDATION NO. 9724 Filed & Recorded

OCT 5 1977 12 23 PM

INTERSTATE COMMERCE COMMISSION

This Agreement entered into as of the 15th day of February, 1977, by and between PROFESSIONAL LEASE MANAGEMENT, INC., a California corporation (hereinafter called "Lessor"), and CONTINENTAL GRAIN COMPANY, a Delaware corporation (hereinafter called "Lessee").

RECITALS

This Agreement is for the lease of railroad cars. Lessee requires the use of the railroad cars during three separate periods which are set forth in the Agreement, and Lessor is willing to make the railroad cars available to Lessee during such periods. At other times during the term of this Agreement, the cars will be utilized by other lessees under lease agreements which are identical or similar to this Agreement (the "other leases"). Because the use of the railroad cars will rotate among the various lessees during the term hereof, Lessor and Lessee recognize and acknowledge that the performance of this Agreement and the other leases

requires the cooperation of the Lessee with the lessee who will use the railroad cars before and after Lessee's use thereof under this Agreement.

ACCORDINGLY, IT IS AGREED AS FOLLOWS:

ARTICLE I

LEASE

Lessor agrees to furnish and lease to Lessee, and Lessee agrees to accept and use, on the terms and conditions set forth herein, the railroad cars (such railroad cars being hereinafter collectively referred to as "cars" and separately as "car") which are described more particularly in the attached Exhibit "A", and any amendments thereto which may hereafter be agreed upon by Lessor and Lessee.

ARTICLE II

TERM

The term of this Lease shall be for the period from February 15, 1977 to February 15, 1980. Each year during the Term, Lessor shall make the cars available to Lessee as set forth herein during the period set forth in the attached Exhibit "B" (such periods hereinafter called the "Period(s)").

The lessees of the cars under other leases and the Periods during which the cars shall be made available to such lessees shall also be as set forth in Exhibit "B". Lessee shall have the option to extend the term of this Lease for two (2) successive additional one year periods on the same terms and conditions as contained herein. Lessee may exercise its option to extend for the first additional year period on or before January 31, 1979, and, if Lessee has exercised its option with respect to the first additional year period, Lessee may exercise its option to renew for the second additional year period on or before January 31, 1980.

ARTICLE III

DELIVERY

A. Date of Delivery.

Except as set forth in Article XI hereof, the Lessor shall deliver or cause the cars to be delivered on the first day of each Period set forth in Exhibit "B". The obligation of the Lessor to deliver the cars shall be excused for any causes beyond the reasonable control of the Lessor and/or the prior lessee, and in the event of a delay in delivery on account of such causes, Lessor shall deliver the cars to Lessee as soon as reasonably possible thereafter.

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If any of the cars are loaded after September 1 prior to any Period, and such cars are not delivered to Lessee prior to October 15, during such Period, then Lessee, at Lessee's option, shall have the right to terminate the lease of such cars with respect to the Period in question upon written notice to Lessor given on or before October 20 of the Period in question.

B. Place of Delivery.

Delivery of the cars to Lessee shall be at the point or points as may be mutually agreed upon by Lessor and Lessee. On delivery at the commencement of each Period hereunder, Lessee shall inspect each car and shall accept each car if each car complies with the description set forth in Exhibit "A" and if found to be fit and suitable for operation as such terms are defined in the Code of Rules (as defined in Article IX hereof). Upon acceptance, Lessee shall deliver to Lessor a Certificate of Acceptance stating that such car has been inspected and accepted by Lessee on the date of such Certificate, and upon the delivery of such Certificate of Acceptance, such car shall be deemed to have been delivered and accepted by Lessee and shall thereafter during such Period be subject to

the terms and conditions of this Agreement. The date of loading of a car by or on behalf of Lessee prior to an inspection shall be deemed to be the date of the acceptance of such car by Lessee as set forth in this paragraph.

C. Cost of Delivery.

Lessee shall pay five-twelfths (5/12) of the cost, if any, of the initial delivery of the cars to the first lessee hereunder.

D. Authority for Use of Railroad Cars on Certain Roads under AAR Circular OT-5-Series

At least 60 days before the first day of each Period during the term of this Lease, Lessee shall notify Lessor of the railroads and the point or points of origin from and on which it may utilize the cars during such Period. Upon such notification Lessor shall use its best efforts to obtain from each such railroad Authority to Place Privately Owned Freight Cars (other than tanks) in Service under the Provisions of AAR Circular OT-5-Series as promulgated by the Association of American Railroads and all supplements thereto and reissues thereof (such authority hereinafter called the "consent(s)"). Such consents shall be unconditional as to use. In the event that Lessor is unable to obtain such consents for all cars from all such railroads, Lessor shall so notify Lessee, and Lessee at its option, shall have the

right to elect to terminate this lease upon notice to Lessor within five (5) days from the date of Lessor's notice. If Lessee so elects to terminate, this Lease shall terminate in its entirety on the twentieth (20th) day from the date of Lessee's notice of termination. At any time after the commencement of a Period, Lessee shall have the right to specify additional railroads upon which it reasonably expects to operate the cars, and Lessor shall thereupon use its best efforts to obtain consents from such railroads within 30 days from the date of such notice from Lessee. In the event that Lessor is unable to obtain such consents, Lessor shall so notify Lessee, and Lessee at its option shall have the right to elect to terminate this lease upon notice to Lessor within five (5) days from the date of Lessor's notice. If Lessee so elects to terminate, this lease shall terminate in its entirety upon the twentieth (20th) day from Lessee's notice of termination. It is hereby acknowledged by Lessor and Lessee that the railroads specified by Lessee shall only include those carriers which have rail lines running to a point or points where Lessee may reasonably expect to load products of Lessee's trade on cars leased hereunder.

ARTICLE IV

MARKINGS

A. At the time of delivery of the cars by Lessor to Lessee, the cars will be plainly marked on each side with Lessor's identification marks. If during the continuance of this Lease such markings shall at any time be removed or become illegible, wholly or in part, Lessee shall immediately cause such markings to be restored or replaced at Lessee's expense.

B. Lessee shall not place, nor permit to be placed, any additional lettering or marking of any kind upon the cars without Lessor's prior written consent, except that Lessee shall have the right to affix a removable placard to identify the cars as being in Lessee's service.

ARTICLE V

PAYMENT OF RENTALS; OPINIONS OF COUNSEL

A. Monthly Rentals.

The monthly rental with respect to each car shall be as set forth in Exhibit "B" and shall be payable in advance on or before the first day of the month during each Period during the term hereof. If a car or cars are not

delivered to Lessee on the first day of the month, the first rental payment therefor during such Period shall be payable on the date of delivery and shall be at the monthly rate, pro-rated on a daily basis for the number of days from the date of delivery to the end of the calendar month. If the last day of a Period is not the final day of a calendar month, the final rental payment during each Period shall be at the monthly rental rate pro-rated for the number of days from the last day of the final calendar month to the final day of the Period. If the Lessee delivers a car or cars to Lessor or a subsequent lessee on a date after the last day of a Period, Lessee shall pay Lessor each week from the end of the Period to the date of delivery, additional rental for the cars at the monthly rate pro-rated on a daily basis for each day that such cars are not delivered.

B. Additional Usage Rental.

Immediately after the end of each Period Lessor shall determine the total number of miles that each car traveled during such Period, loaded and empty. If it is determined that any car traveled more than 50,000 miles during a twelve (12) months period, or a pro-rata portion thereof for a period of less than twelve (12) full calendar

months, Lessee, upon written notice from Lessor, shall pay to Lessor within ten (10) days of such notice the sum of two cents multiplied by the number of miles in excess of 50,000, or the pro-rata portion thereof for a period of less than twelve (12) full calendar months.

D. Opinion of Counsel.

1. Opinion of Lessee's Counsel

Lessee on or before the execution of this Lease shall furnish to Lessor an opinion of counsel satisfactory to counsel for Lessor that:

(a) Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and is either duly qualified to do business and is in good standing in such other jurisdictions in which the business and activities of Lessee require such qualification or its failure to so qualify in such other jurisdiction will not have a material adverse impact on this Lease.

(b) Lessee has full corporate power to enter into this Lease.

(c) The Lease had been duly authorized, executed and delivered by the Lessee, and constitutes a valid, legal and binding agreement, enforceable in accordance with its terms.

(d) Under statutes, regulations and interpretations in force as of the date thereof, no approval is required by the Lessee from any governmental or public body or authority with respect to the entering into or performance of this Lease.

(e) Under statutes, regulations and interpretations in force as of the date thereof, the entering into and performance of this Lease will not conflict with, or result in a breach of, the terms, conditions or provisions of any agreement or instrument to which the Lessee is a party or by which it or its property may be bound or conflict with, or result in a breach of, any of the terms, conditions or provisions of any law, or any regulations, order, injunction, permit, franchise or decree of any court or governmental instrumentality.

2. Opinion of Lessor's Counsel

Lessor on or before the execution of this Lease shall furnish to Lessee an opinion of counsel satisfactory to counsel for Lessee that:

(a) Lessor is a corporation duly incorporated, validly existing and in good standing under the laws of the State of California and is either duly qualified to do business and is in good standing in such other jurisdictions

in which the business and activities of Lessor require such qualification or its failure to so qualify in such other jurisdiction will not have a material adverse impact on this Lease.

(b) Lessor has full corporate power to enter into this Lease.

(c) The Lease had been duly authorized, executed and delivered by the Lessor, and constitutes a valid, legal and binding agreement, enforceable in accordance with its terms.

(d) Under statutes, regulations and interpretations in force as of the date thereof, no approval is required by the Lessor from any governmental or public body or authority with respect to the entering into or performance of this Lease.

(e) Under statutes, regulations and interpretations in force as of the date thereof, the entering into and performance of this Lease will not conflict with, or result in a breach of, the terms, conditions or provisions of any agreement or instrument to which the Lessor is a party or by which it or its property may be bound or conflict with, or result in a breach of, any of the terms, conditions or provisions of any law, or any regulations, order, injunction, permit, franchise or decree of any court or governmental instrumentality.

E. Acknowledgement of Assignment.

Lessee, at the request of Lessor, shall execute and deliver to Lessor an acknowledgement of assignment of lease similar in form to Exhibit "C", attached hereto and incorporated herein by this reference and upon such request and execution, furnish to Lessor an opinion of counsel that such acknowledgement has been duly authorized, executed and delivered by Lessee and constitutes a valid, legal and binding instrument, enforceable in accordance with its terms.

ARTICLE VI

MILEAGE ALLOWANCE AND INDEMNIFICATION

A. Collection.

Any mileage allowances, rentals and/or other compensation payable by railroads (hereinafter referred to as "allowances") by reason of the use of the cars shall be collected by Lessor. In connection therewith, Lessee agrees to report to Lessor the movements of the cars, giving therein the date, destination, and routing of the cars together with all information which Lessee may receive from railroads, or from other sources.

B. Lessee Mileage Credit Allowance.

Insofar as applicable laws and regulations permit, Lessee (unless an event of default specified in Article XIV hereof shall have occurred and be continuing) shall be entitled to all allowances collected by Lessor from railroads pertaining to the cars as a credit against rents and any other amounts that Lessee may be required to pay Lessor, but in no event shall such credit exceed the sum of such obligations.

C. Empty Mileage Indemnification.

Lessee agrees, insofar as possible, to so use the cars that their total mileage under load will equal or exceed their mileage empty on each railroad over which the cars move. In the event that the empty mileage of the cars should exceed their loaded mileage on any railroad, and Lessor is notified by such railroad to equalize such mileage with loaded mileage or to pay for such excess empty mileage, Lessee, after notice from Lessor, shall equalize such excess empty mileage within the time limit established by such railroad, or pay Lessor for such excess at the rate established by the governing tariff. Lessor shall notify Lessee of any such event within thirty (30) days of receipt of notice from such railroad.

ARTICLE VII

CAR ALTERATIONS

Lessee shall not alter the physical structure of any of the cars without the advance written approval of the Lessor.

ARTICLE VIII

MAINTENANCE AND REPAIRS

A. Responsibilities.

Except where responsibility is placed upon others as provided in Article IXA hereof, Lessor shall, at its expense, maintain the cars exclusive of interior lading protective devices, special interior linings, and removable parts, if any, in good condition and repair according to the Code of Rules hereinafter mentioned. Lessee agrees, at its expense, to maintain all interior lading protective devices, special interior linings and removable parts, if any, in good condition and repair ordinary wear and tear excepted, and Lessee shall have the right to make ordinary running repairs, and Lessor shall reimburse Lessee for the out-of-pocket costs for such repairs, exclusive of repairs to interior lading protective devices, special interior linings and removable parts, within thirty (30) days of receipt of written notification thereof, but subject to Lessor's verification of same.

B. Notification of Needed Repairs.

If a car becomes unfit for service for any reason, except destruction, Lessee shall notify Lessor in writing of needed repairs, and if responsibility for such repairs is placed on Lessor under Article VIIIA, Lessor shall have a reasonable period of time to repair and return such car to

service or replace such car with another car; rental charges for such car or cars shall abate from and after a period of five (5) days from the date when each car is reported, and until it is repaired and returned to service, or replaced by another car.

ARTICLE IX

LOSS OR DAMAGE

A. Responsibilities.

Lessee shall be responsible for loss or destruction of, or damage to, the cars or parts thereof or appurtenances thereto, furnished under this Lease during Lessee's actual or constructive possession of the cars or use thereof hereunder unless the then prevailing Code of Rules Governing the Condition of, and Repairs to, Freight and Passenger Cars for the Interchange of Traffic, promulgated by the Association of American Railroads (herein called the "Code of Rules") places responsibility upon a railroad subscribing to the Code of Rules; provided, however, that Lessee shall not be responsible if such loss, destruction or damage to the cars or parts thereof or appurtenances thereto was caused by the neglect or willful act of Lessor.

Notwithstanding anything contained herein to the contrary, in the event that a car, while under the actual or constructive possession of the Lessee or use hereunder, is lost, damaged, or destroyed while on the tracks of Lessee or any private track, or on the track of any railroad that does not subscribe to the Code of Rules or in the event that any car is damaged by any commodity which may be transported, or stored in or on such car, such repairs, renewals or replacements as may be necessary to replace the car, or to place it in good order and repair shall be at the sole cost and expense of Lessee. Lessor and Lessee agree to cooperate with and to assist each other in any reasonable manner requested, but without affecting their respective obligations under this Article, to establish proper claims against parties responsible for the loss or destruction of, or damage to, the cars. In the event the Code of Rules conflicts with any provision of this Lease, this Lease shall govern.

B. Notification.

Lessee shall notify Lessor of the destruction of any of the cars in Lessee's actual or constructive possession or use hereunder within five (5) days of the date on which the car was destroyed. If timely notice is so given, rent shall abate from date of destruction, and otherwise, from the date of the notice.

C. Substitution.

If a car should be damaged or destroyed, Lessor shall have the right, but shall not be obligated, to substitute another car of the same type, capacity and condition.

D. Indemnification by Lessee.

1. Damages, Losses and Injuries.

Lessee shall defend (if such defense is tendered to Lessee) indemnify and hold Lessor harmless from and against all losses, damages, injuries, liabilities, claims, and demands whatsoever, including but not limited to those asserted by any other lessee under the other leases, regardless of the cause thereof (including without limitation reasonable attorneys' fees) arising out of or as a result of the use, storage, and/or operation of the cars by Lessee pursuant to the terms of this Lease, including without limitation, claims for (a) injury to or death of persons including employees of Lessee, (b) loss of or damage to property including the cars or property of Lessee, and (c) economic loss due to the non-availability for use of the car or property damaged or destroyed; provided, however, that if a car is not delivered to Lessee or is delivered and is not acceptable to Lessee or a car is destroyed while in Lessee's service, Lessee shall not be liable to other lessees for consequential damages on account of the non-availability for use of such car; and provided further, however, that if Article IXA places the responsibility for loss, destruction or damage to the car on Lessor, Lessee shall have no obligation to indemnify Lessor for the loss, damage or destruction of

the car. Lessee's obligation to defend, indemnify and hold Lessor harmless shall survive the termination of this Lease for any reason.

ARTICLE X

LOSS OF COMMODITIES

Lessor shall not be liable for any loss of, or damage to, commodities, or any part thereof, loaded or shipped in the cars, however, such loss or damage shall be caused, or shall result. In addition to any other indemnity provided herein, the Lessee agrees to assume responsibility for, to indemnify Lessor against, and to save it harmless from, any such loss or damage or claim therefor, and to assume responsibility for any damage caused to the car by such commodities.

ARTICLE XI

LOSS OF USE OF CAR BY LESSEE

Lessor shall not be liable to Lessee for any damages, costs or losses which result from the loss of the use of any car for any reason, including any loss of use resulting from the lease of such car under the other leases whereby such car is lost, destroyed, damaged, delivered late, or rendered not suitable or fit as set forth in Article III hereof.

ARTICLE XII

TAXES

A. Lessee shall pay and indemnify and hold Lessor harmless from customs duties, tariffs, switching, and demurrage, including penalties and interest thereon levied or imposed by any foreign, Federal, state or local government or taxing authority, railroad or other agency upon or with respect to the cars or the Lessor in connection with Lessee's use or possession of the cars or in the lease thereof hereunder. Except as set forth above, Lessor shall pay all other taxes including but not limited to personal property taxes, and sales and use taxes imposed upon it as a result of its ownership of the cars.

ARTICLE XIII

ASSIGNMENT, TRANSFERS, ENCUMBRANCES

A. Lessor's Rights to Assign or Transfer

All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of, either in whole or in part, and/or Lessor may assign, pledge, mortgage, transfer or otherwise dispose of title to the cars, with or without notice to Lessee. In the event of any such assignment, pledge, mortgage, transfer or other disposition and in the event Lessee is in default hereunder,

this Agreement and all rights of Lessee under this Agreement or those of any person, firm or corporation who claims or who may hereafter claim any rights in this Agreement under or through Lessee, are hereby made subject and subordinate to the terms, covenants and conditions of any chattel mortgage, conditional sale agreement, equipment trust agreement or other agreements or assignments covering the cars heretofore or hereafter created and entered into by Lessor, its successors or assigns, and to all of the rights of any such chattel mortgagee, assignee, trustee or other holder of legal title to the cars; provided, however, that so long as Lessee is not in default hereunder it shall be entitled to use the cars in accordance with the terms and conditions hereof. Any sublease or assignment of the cars permitted by this Agreement that is entered into by Lessee or its successors or assigns shall contain language which expressly makes such assignment or sublease subject to the subordination contained herein. At the request of Lessor or any chattel mortgagee, assignee, trustee, or other holder of the legal title to the cars, the cars may be lettered or marked to identify the legal owner of the cars at no expense to Lessee.

B. Lessee's Rights to Transfer or Sublease:

Lessee shall use the cars exclusively within the boundaries of the continental United States (exclusive of

Alaska and Hawaii). Lessee shall not transfer, or assign the cars or this Agreement, nor permit such transfer or assignment by operation of law or otherwise, without Lessor's prior written consent, which consent shall not be unreasonably withheld. Lessee shall have the right to sublease any of the cars without Lessor's prior consent; provided, however, that Lessee shall notify Lessor of any sublease of the cars. No transfer, sublease or assignment of this Lease, or of the cars, shall relieve Lessee from any of its obligations to Lessor under this Agreement.

ARTICLE XIV

OWNERSHIP OF THE CAR

Lessee acknowledges and agrees that by the execution of this Lease, it does not obtain and by payments and performance hereunder it does not and will not have or obtain any title to the cars or any property right or interest therein, legal or equitable, except solely as Lessee hereunder and subject to all of the terms hereof. Lessee shall keep the cars free from any encumbrances or liens which result from Lessee's lease of the cars hereunder and which may affect Lessor's title to the cars.

ARTICLE XV

DEFAULT BY LESSEE

A. Default Conditions:

If Lessee defaults in the payment of any sum of money to be paid under this Lease and such default continues for a period of ten (10) days after written notice to Lessee of such default; or if Lessee fails to perform any covenant or condition required to be performed by Lessee which failure shall not be remedied within ten (10) days after notice thereof by Lessor to Lessee; or if Lessee shall dissolve, make or commit any act of bankruptcy, or should any proceeding under any bankruptcy, or insolvency statute or any laws relating to relief of debtors be commenced by Lessee, or should any such proceeding be commenced against Lessee and the same shall not have been removed within sixty (60) days of the date of the filing thereof, or should a receiver, trustee or liquidator be appointed for Lessee or for all or a substantial part of Lessee's assets with Lessee's consent, or if without Lessee's consent the same shall not have been removed within sixty (60) days of the date of the appointment thereof; or should an order, judgment or decree be entered by a court of competent jurisdiction and continue unpaid and

in effect for any period of sixty (60) consecutive days without a stay of execution; or should a writ of attachment or execution be levied on any car resulting from Lessee's actual or constructive possession or use thereof and not be discharged within ten (10) days thereafter, Lessor may exercise one or more of the following remedies with respect to the cars.

1. Immediately terminate this Agreement and Lessee's rights hereunder;

2. Require the Lessee to return the cars to Lessor at Lessee's expense, and if Lessee fails to so comply, Lessor may take possession of such cars upon five (5) days prior written notice to Lessee specifying the nature of the default and without court order or legal process. Lessee hereby waives any damages occasioned by such taking of possession whether or not Lessee was in default at the time possession was taken, so long as Lessor reasonably believes that Lessee was in default at such time, and further waives any other right to notice of possession and the taking of such possession without court order or legal process;

3. Lease the cars to such persons, at such rental and for such period of time as Lessor shall elect. Lessor shall apply the proceeds from such leasing less all

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costs and expenses incurred in the recovery, repair, storage and renting of such cars, toward the payment of Lessee's obligations hereunder. Lessee shall remain liable for any deficiency, which at the Lessor's option, shall be paid monthly, as suffered, or immediately or at the end of the term as damages for Lessee's default;

4. Bring legal action to recover all rent or other amounts then accrued or thereafter accruing from Lessee to Lessor under any provision hereunder.

5. Pursue any other remedy which Lessor may have.

B. Each remedy is cumulative and may be enforced separately or concurrently. In the event of default, Lessee shall pay to Lessor all costs and expenses including reasonable attorneys' fees expended by Lessor in the enforcement of its rights or remedies hereunder, and Lessee shall pay interest at the rate of ten percent (10%) per annum on any amount owing to Lessor from the time such amount becomes due hereunder.

ARTICLE XVI

DELIVERY AT END OF EACH PERIOD

At the end of each Period, Lessee, at its expense, shall deliver the cars and each part thereof, to Lessor, or a subsequent lessee under the other leases, at the point designated by Lessor, empty, free from residue, and in the same good order and condition as it was delivered by Lessor or a previous lessee to Lessee, ordinary wear and tear and repairs that Lessor is required to make pursuant to Article VIII hereof excepted. Lessee shall, on demand, reimburse Lessor for the cost of cleaning any car that contains residue. Lessor shall have the right, at its expense, to inspect the cars returned pursuant hereto to determine the existence of any abnormal damage arising from misuse, negligence, failure to maintain the cars or otherwise. In the event such damage exists, Lessor shall notify Lessee and Lessee shall pay for all repairs thereto required.

In the event that the cars are not redelivered to Lessor or delivered to the subsequent lessee under one of the other leases on or before the date on which each Period ends, or in the event that the cars so delivered are not in the condition required by this Article XVI, Lessee shall pay rental for each day that such cars are not delivered

as required herein or until such cars are in the condition required, at the monthly rate set forth in Exhibit "B" prorated on a daily basis. In addition to any other indemnity provided herein Lessee shall also indemnify and hold Lessor harmless from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, including those asserted by a subsequent lessee under the other leases, arising out of or as a result of such late delivery or failure to deliver in the condition required.

ARTICLE XVII

WARRANTIES AND REPRESENTATIONS

LESSOR MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER MATTER CONCERNING THE CARS. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE, OR EXPENSE CAUSED BY THE CARS OR BY ANY DEFECT THEREIN. During the period of any lease hereunder in which Lessee renders faithful performance of its obligations, Lessor hereby assigns to Lessee any factory or dealer warranty, whether express or implied, or other legal right Lessor may have against the manufacturer in connection with defects in the cars covered by this Lease.

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ARTICLE XVIII

ARBITRATION

Any controversy or claim arising out of, or relating to, this Lease or the breach thereof, shall be submitted to arbitration in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered thereby may be entered in any court having jurisdiction thereof. Arbitrators shall be required to file written findings in support of their conclusion. Such arbitration shall take place in San Francisco, California.

ARTICLE XIX

MODIFICATION PROCEDURE

A. No modification or waiver of any provision of this Lease nor consent to any departure by Lessee therefrom shall be effective unless the same shall be in writing signed by both parties, and then such waiver of consent shall be effective only in the specific instance and for the purpose for which given.

B. Except as set forth in paragraph C of this Article XIX, if any term or provision of this Lease or the application thereof shall, to any extent, be invalid or unenforceable, such invalidity or unenforceability shall not affect or render invalid or unenforceable any other provision of this Lease, and this Lease shall be valid and enforced to the fullest extent permitted by law.

C. In the event that the payment of mileage allowances contemplated under Article VI hereof shall be deemed totally inapplicable, invalid, or unlawful with respect to the cars leased hereunder, by a regulatory agency or court having jurisdiction thereof, this lease shall terminate, and Lessee shall promptly return the cars to Lessor at a point designated by Lessor.

ARTICLE XX

SUBJECT TO CALIFORNIA LAWS

This Lease and the provisions herein shall be interpreted under, and performance shall be governed by, the laws of the State of California.

ARTICLE XXI

FAILURE TO PERFORM

If Lessee fails to perform any of its obligations hereunder, Lessor, at Lessee's expense, and without waiving any rights it may have against Lessee for such nonperformance, may itself render such performance. Lessee shall reimburse Lessor on demand for all sums so paid by Lessor on Lessee's behalf.

ARTICLE XXII

RIGHT OF INSPECTION

Lessor or its assignee shall, at any reasonable time, and without interfering with Lessee's operations, have

the right to inspect the cars by its authorized representative wherever they may be located for the purpose of determining compliance by Lessee with its obligations hereunder.

ARTICLE XXIII

NOTIFICATION REQUIRED

Lessee shall immediately notify Lessor of any accident or malfunction in connection with the operation of the cars, including in such report the time, place and nature of the accident, the damage caused to the property, the names and addresses of persons injured and of witnesses, and such other information as may be pertinent to Lessor's investigation of such accident. Lessee shall also notify Lessor in writing within ten (10) days after any attachment, tax lien, or other judicial process attaches to the cars. Within five (5) days after receipt of written demand from Lessor, Lessee shall give Lessor written notice of the approximate location of the cars.

ARTICLE XXIV

ASSIGNMENT OF RIGHTS

This Lease shall inure to the benefit of, and be binding upon, the parties hereto and their respective

successors and assigns, provided, however, that no rights of Lessee under this Lease shall pass to any successor or assignee of Lessee by operation of law or otherwise without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

ARTICLE XXV

EQUIPMENT CHANGES

Lessee shall comply with all governmental laws, rules, regulations, requirements, and the Code of Rules of the Association of American Railroads with respect to the use and operation of the cars and maintenance thereof as set forth in Article VIII hereof. In case any equipment or appliance on the cars shall be required to be changed or replaced or in case any additional or other equipment or appliance shall be required to be installed on the cars in order to comply with such laws, regulations, requirements and rules, Lessee shall notify Lessor in writing of the needed changes, additions and/or replacements. Lessor shall have a reasonable period of time to make such changes, additions or replacements and return such car to Lessee or replace such car with another car; rental charge for such car or cars shall abate from and after a period of five (5)

days from the date when each car is reported, and until it is repaired and returned to service, or replaced by another car.

ARTICLE XXVI

ADMINISTRATION OF LEASE

Lessee agrees to make available to Lessor information concerning the movement of the cars reasonably required for the efficient administration of this Lease.

ARTICLE XXVII

ADDRESSING OF NOTICES

Any notice required hereunder shall be in writing and shall be delivered to the respective parties hereto by personal delivery thereof or by deposit in the United States Mail as Certified or Registered matter, return receipt requested, postage prepaid, and addressed to the respective parties as follows, unless otherwise advised in writing.

Lessee to Lessor

TO: Professional Lease Management, Inc.
One Embarcadero Center, Suite 2202
San Francisco, California 94111

Attn: Mr. William F. Bryant
Vice President

Lessor to Lessee

To: Continental Grain Company
277 Park Avenue
New York, New York 10017

Attn: Mr. Richard C. Rose
Transportation Manager

IN WITNESS WHEREOF, the parties hereto have caused
this instrument to be executed and delivered on December 16,
1976.

ATTEST:

By Wm. F. Bryant
(Title)
Executive Vice President

PROFESSIONAL LEASE MANAGEMENT, INC.

By Mark C. Hingsford
(Title)
President

ATTEST:

By Paul J. Shuckman
(Title)
Assistant Secretary

CONTINENTAL GRAIN COMPANY

PC By Paul Carl
(Title)
Vice-President
North American Grain Division

EXHIBIT "A"
NUMBER AND DESCRIPTION OF CARS

NUMBER OF CARS: 150.

DESCRIPTION OF CARS: 4,750 cubic foot capacity, 100 ton
truck, gravity discharge covered
hopper car

NOTE: 89 of the 150 cars, bearing numbers
PLMX 1001 to PLEX 10089, inclusive,
are owned by Arthur R. Dubs

ACKNOWLEDGMENT

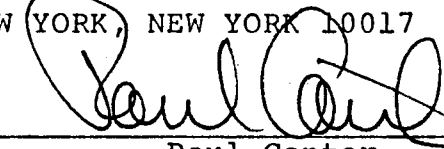
The undersigned (the "Lessee") has been advised by Professional Lease Management, Inc. ("PLM") and Arthur R. Dubs ("Mr. Dubs") and hereby acknowledges that PLM is the authorized agent for Mr. Dubs and other owners in connection with the leasing of covered hopper railcars numbered PLMX 10001 through 10150 (the "Cars") under a Master Lease Agreement (the "Lease") dated as of February 15, 1977 between PLM and Lessee. In connection therewith, Lessee has been advised and acknowledges and agrees that:

1. Mr. Dubs (as to Cars numbered PLMX 10001 through PLMX 10089) and such other owners (as to other Cars) are the owners of such cars, and PLM has no interest in the cars except to the extent that it is acting as the authorized agent for Mr. Dubs and such other owners with respect to the leasing and management thereof. We agree that Exhibit A to the Lease may be amended to specify the Cars by AAR road number which are owned by Mr. Dubs.
2. PLM negotiated, prepared, executed and delivered the Lease on behalf of, and as agent for, Mr. Dubs and such other owners.
3. Lessee acknowledges the assignment by Mr. Dubs to the Morgan Guaranty Trust Company of New York ("the Bank") of a security interest in the Lease and agrees that, if Lessee shall be so directed by the Bank, Lessee will thereupon pay all amounts payable under the Lease in respect of such 89 cars to the Bank in such manner as the Bank may direct.
4. We also agree that, during each period of each calendar year in which the undersigned is leasing the Cars, such Cars will be used more than one-half of the time during each such period within the continental United States.
5. Unless an event of default shall occur under the lease by the undersigned any rights of the Bank shall be subordinate and subject to the rights of the undersigned under the Lease.

Dated: December 16, 1976

CONTINENTAL GRAIN COMPANY
277 PARK AVENUE
NEW YORK, NEW YORK 10017

BY



Paul Canter
Vice President
North American Grain Division

ACKNOWLEDGEMENT

The undersigned (the "Lessee") has been advised by PLM, Inc. (formerly Professional Lease Management, Inc.) ("PLM") and Arthur R. Dubs ("Mr. Dubs") and hereby acknowledges that PLM is the authorized agent for Mr. Dubs and other owners in connection with the leasing of covered hopper railcars numbered PLMX 10001 through 10150 (the "Cars") under a Master Lease Agreement (the "Lease") dated as of February 15, 1977 between PLM and Lessee. In connection therewith, Lessee has been advised and acknowledges and agrees that:

1. Mr. Dubs (as to Cars numbered PLMX 10092 through PLMX 10150) and such other owners (as to other Cars) are the owners of such cars, and PLM has no interest in the cars except to the extent that it is acting as the authorized agent for Mr. Dubs and such other owners with respect to the leasing and management thereof. We agree that Exhibit A to the Lease may be amended to specify the Cars by AAR road number which are owned by Mr. Dubs.

2. PLM negotiated, prepared, executed and delivered the Lease on behalf of, and as agent for, Mr. Dubs and such other owners.

3. Lessee acknowledges the assignment by Mr. Dubs to the Morgan Guaranty Trust Company of New York ("the Bank") of a security interest in the Lease and agrees that, if Lessee shall be so directed by the Bank, Lessee will thereupon pay all amounts payable under the Lease in respect of such 59 cars to the Bank in such manner as the Bank may direct.

4. We also agree that, during each period of each calendar year in which the undersigned is leasing the Cars, such Cars will be used more than one-half of the time during each such period within the continental United States.

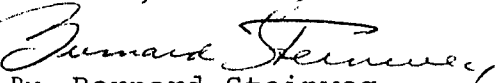
5. Unless an event of default shall occur under the lease by the undersigned any rights of the Bank shall be subordinate and subject to the rights of the undersigned under the Lease.

Dated: September 29, 1977

Continental Grain Company

277 Park Avenue

New York, N. Y. 10017



By Bernard Steinweg
(title) Executive Vice President
North American Grain Division

EXHIBIT "B"

1. LESSEE

LEASE PERIODS

Continental Grain Company

9/15/77 - 2/15/78

9/15/78 - 2/15/79

9/15/79 - 2/15/80

CF Industries, Inc.

2/15 - 6/15/77

2/15 - 6/15/78

2/15 - 6/15/79

Chicago, Rock Island &
Pacific Railroad

6/15 - 9/15/77

6/15 - 9/15/78

6/15 - 9/15/79

2. No cars shall be loaded by Lessee later than the last day of Lessee's lease period. No cars shall be loaded by any other lessee later than the first day of the month in which its lease period ends. No cars shall be delivered before the end of any lease period without the consent of the subsequent lessee.
3. Rental Rate - \$297.00 per car per month.

ACKNOWLEDGEMENT OF ASSIGNMENT OF LEASE

The undersigned is Lessee under a Lease (the "Lease") dated _____ 197_, between PROFESSIONAL LEASE MANAGEMENT, INC., as Lessor, and the undersigned, as Lessee, with respect to certain railroad cars (the "equipment"). Undersigned hereby acknowledges receipt of a copy of an assignment of the Lease from the Lessor to _____ ("Assignee").

As an inducement to Assignee to partially finance purchase of the equipment being leased by the Lessor to the undersigned pursuant to the Lease, the undersigned hereby agrees that:

(1) The undersigned will pay all rentals and other amounts to be paid by Lessee under the Lease directly to the assignee at _____ or at such other address as may be furnished in writing from time to time to the undersigned by the Assignee.

(2) Assignee shall be entitled to the benefits of and to receive and enforce performance of all the covenants to be performed by the undersigned under the Lease as though the Assignee were named therein as Lessor, but Assignee shall not, by virtue of the assignment, or this instrument of acknowledgment, be or become subject to any liability or obligation under the Lease. In accordance with the terms of the Lease, so long as the undersigned is not in default under the Lease, the undersigned's interest in the equipment shall not be subordinated to Assignee's interest therein.

(3) The undersigned shall not, without the prior written consent of Assignee, amend, terminate or modify the Lease or take any action or omit to take any action, by the taking or omission of which might result in an alteration or impairment of the Lease, except to the extent, if any, that the undersigned is otherwise entitled to do so as a result of the default thereunder of the Lessor.

Dated as of _____, 197_.

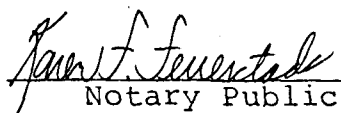
By _____
(Title of Officer)

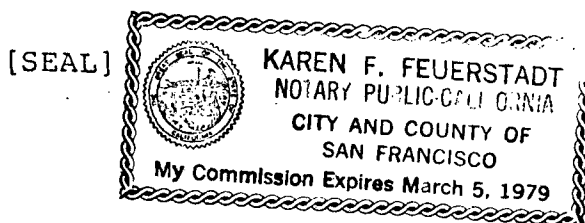
CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
 : ss.:
COUNTY OF SAN FRANCISCO)

On this 20th day of December, 1976, before me personally appeared Mark C. Hungerford, to me personally known, who being by me duly sworn, says that he is the

President of Professional Lease Management, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

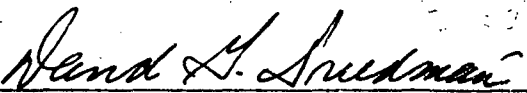


My commission expires

March 5, 1979

STATE OF NEW YORK)
 : SS.:
COUNTY OF NEW YORK)

On this 16th day of December, 1976, before me personally appeared Paul Canter, to me personally known, who being by me duly sworn, says that he is a Vice-President of the North American Grain Division of Continental Grain Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

DAVID G. FRIEDMAN
Notary Public, State of New York
No. 41-4601032
Qualified in Queens County
Certificate filed in New York County
Commission Expires March 30, 1978

[SEAL]

CERTIFICATE OF NOTARY PUBLIC

Washington, D.C.

I, Donna W. Ours, a duly appointed Notary Public of the District of Columbia, hereby certify that I have compared the attached document with the original document, and I have determined that it is a true and correct copy in all respects.

Dated:

October 4, 1977

Donna W. Ours
NOTARY PUBLIC

My commission expires

July 14, 1981